

H-8318

1 Amend the amendment, H-8315, to House File 2473 as
2 follows:

3 1. Page 17, after line 30 by inserting:

4 <DIVISION _____

5 UNCLAIMED LIFE INSURANCE DEATH BENEFITS

6 Sec. _____. NEW SECTION. 507B.4C Unclaimed life
7 insurance.

8 1. *Purpose.* The purpose of this section is to
9 require complete and proper disclosure, transparency,
10 and accountability relating to any method of payment
11 for life insurance death benefits regulated by the
12 commissioner.

13 2. *Definitions.* As used in this section, unless
14 the context otherwise requires:

15 a. "Account owner" means the owner of a retained
16 asset account who is a resident of this state.

17 b. "Annuity" means an annuity contract issued in
18 this state. "Annuity" does not include any annuity
19 contract used to fund an employment-based retirement
20 plan or program where the insurer takes direction from
21 the plan sponsor or plan administrator.

22 c. "Authorized person" means a policy owner,
23 insured, annuity owner, annuitant, or account holder,
24 as applicable under a policy, annuity, or retained
25 asset account.

26 d. "Death master file" means the United States
27 social security administration's death master file
28 or any other database or service that is at least as
29 comprehensive as the United States social security
30 administration's death master file for determining that
31 a person has died.

32 e. "Death master file match" means a search of
33 the death master file that results in a match of an
34 authorized person's name and social security number or
35 an authorized person's name and date of birth.

36 f. "Insurer" means a life insurance company
37 regulated under chapter 508.

38 g. "Policy" means any policy or certificate of life
39 insurance issued in this state. "Policy" does not
40 include any of the following:

41 (1) A policy or certificate of life insurance which
42 provides a death benefit under an employee benefit
43 plan subject to the federal Employee Retirement Income
44 Security Act of 1974, Pub. L. No. 93-406, as codified
45 at 29 U.S.C. §1002 et seq.

46 (2) A policy or certificate of life insurance which
47 provides a death benefit under an employee benefit plan
48 subject to a federal employee benefit program.

49 (3) A policy or certificate of life insurance
50 which is used to fund a preneed plan for cemetery

1 merchandise, funeral merchandise, funeral services, or
2 a combination thereof.

3 (4) A policy or certificate of credit life or
4 accidental death insurance.

5 (5) A policy issued to a group master policyowner
6 for which the insurer does not provide recordkeeping
7 services.

8 *h. "Recordkeeping services"* means services provided
9 by an insurer who has entered into an agreement with a
10 group policy customer to be responsible for obtaining,
11 maintaining, and administering in the insurer's own
12 recordkeeping systems at least all of the following
13 information about each individual insured under
14 the insured's group insurance contract or a line of
15 coverage thereunder:

16 (1) Social security number or name and date of
17 birth.

18 (2) Beneficiary designation information.

19 (3) Coverage eligibility.

20 (4) Benefit amount.

21 (5) Premium payment status.

22 *i. "Retained asset account"* means an
23 interest-bearing account set up by an insurer in
24 the name of the beneficiary of a policy or annuity upon
25 the death of the insured.

26 3. *Insurer duties.*

27 *a.* For any in-force policy, annuity, or retained
28 asset account issued for delivery in this state for
29 which the insurer has not previously been notified of
30 a claim, an insurer shall perform a comparison of such
31 policy, annuity, or retained asset account against the
32 death master file, on at least a semiannual basis, to
33 identify potential death master file matches.

34 (1) An insurer may comply with the requirements of
35 this subsection by using the full death master file for
36 the initial comparison and thereafter using the death
37 master file update files for subsequent comparisons.

38 (2) Nothing in this section shall be interpreted to
39 limit the right of an insurer to request a valid death
40 certificate as part of any claims validation process.

41 *b.* If an insurer learns of the possible death of an
42 authorized person through a death master file match or
43 otherwise, the insurer shall, within ninety days, do
44 all of the following:

45 (1) Complete a good faith effort, which shall be
46 documented by the insurer, to confirm the death of the
47 authorized person against other available records and
48 information.

49 (2) Review the insurer's records to determine
50 whether the deceased authorized person had purchased

1 any other products from the insurer.
2 (3) Determine whether benefits may be due in
3 accordance with the applicable policy, annuity, or
4 retained asset account.
5 (4) If the beneficiary or an authorized person
6 has not communicated with the insurer within the
7 ninety-day period, take reasonable steps, which shall
8 be documented by the insurer, to locate and contact any
9 beneficiary or other authorized person on the policy,
10 annuity, or retained asset account, including sending
11 the beneficiary or other authorized person information
12 regarding the insurer's claims process and regarding
13 the need to provide an official death certificate, if
14 applicable under the policy, annuity, or retained asset
15 account.
16 c. Every insurer shall implement procedures to
17 account for all of the following:
18 (1) Common nicknames, initials used in lieu of a
19 first or middle name, use of a middle name, compound
20 first and middle names, and interchanged first and
21 middle names.
22 (2) Compound last names, maiden or married names,
23 and hyphens, blank spaces, or apostrophes in last
24 names.
25 (3) Transposition of the month and date portions of
26 the date of birth.
27 (4) Incomplete social security numbers.
28 d. An insurer may disclose minimum necessary
29 personal information about a beneficiary or authorized
30 person to an individual or entity whom the insurer
31 reasonably believes may be able to assist the insurer
32 in locating the beneficiary or authorized person
33 entitled to payment of the claims proceeds.
34 e. An insurer or its service provider shall not
35 charge a beneficiary or authorized person any fees
36 or costs associated with a death master file search
37 conducted pursuant to this section.
38 f. The benefits from a policy, annuity, or retained
39 asset account, plus any applicable accrued interest,
40 shall first be payable to designated beneficiaries
41 or authorized persons, and in the event that the
42 beneficiaries or authorized persons cannot be found,
43 shall be reported and remitted to the state as
44 unclaimed property pursuant to chapters 556 and 633.
45 4. *Rules.* The commissioner shall adopt rules to
46 administer the provisions of this section.
47 5. *Orders.* The commissioner may issue an order
48 doing any of the following:
49 a. Limiting the death master file comparisons
50 required under subsection 3, paragraph "a", to an

1 insurer's electronic searchable files or approving a
2 plan and timeline for conversion of an insurer's files
3 to electronic searchable files.

4 *b.* Exempting an insurer from the death master file
5 comparisons required under subsection 3, paragraph "a",
6 or permitting an insurer to perform such comparisons
7 less frequently than semiannually upon a demonstration
8 of financial hardship by the insurer.

9 *c.* Phasing in requirements for compliance with this
10 section according to a plan and timeline approved by
11 the commissioner.

12 6. *Unfair trade practice.* Failure to meet any
13 requirement of this section with such frequency as to
14 constitute a general business practice is an unfair
15 method of competition and an unfair or deceptive act
16 or practice in the business of insurance under this
17 chapter.

18 7. *Insurer unclaimed property reporting.*

19 *a.* If an insurer identifies a person as deceased
20 through a death master file match as described in
21 subsection 3, paragraph "a", or other information
22 source, and validates such information through a
23 secondary information source, the insurer may report
24 and remit the proceeds of the policy, annuity, or
25 retained asset account due to the state prior to the
26 dates required for such reporting and remittance under
27 chapter 556, without further notice to or consent by
28 the state, after attempting to contact any beneficiary
29 under either of the following circumstances:

30 (1) The insurer is unable to locate a beneficiary
31 who is located in this state under the policy, annuity
32 contract, or retained asset account, after conducting
33 reasonable search efforts of up to one year after the
34 insurer's validation of the death master file match.

35 (2) No beneficiary or person, as applicable for
36 unclaimed property reporting purposes under chapter
37 556, has a last known address in this state.

38 *b.* Once the insurer has reported upon and remitted
39 the proceeds of the policy, annuity, or retained
40 asset account to the state pursuant to chapter 556,
41 the insurer is relieved from any and all additional
42 liability to any beneficiary or authorized person
43 relating to the proceeds reported upon and remitted.

44 Sec. _____. EFFECTIVE DATE. This division of this
45 Act takes effect July 1, 2015.>

46 2. By renumbering as necessary.

SODERBERG of Plymouth